

CITY OF BISMARCK EMPLOYEES PENSION FUND
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2005

	August-05				July-05				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Month	Net ROR	Market Value	Allocation	Month	Net ROR	Fiscal YTD	FY05	Ended	Ended
		Actual	Policy						Net ROR	Net ROR	6/30/2005	6/30/2005
											Net	Net
LARGE CAP DOMESTIC EQUITY												
<i>Structured Growth</i>												
LA Capital	2,163,839	5.2%	5.1%	-0.36%	2,135,227	5.2%	5.1%	4.40%	4.03%	8.17%	N/A	N/A
Total Structured Growth	2,163,839	5.2%	5.1%	-0.36%	2,135,227	5.2%	5.1%	4.40%	4.03%	8.17%	10.28%	-9.00%
Russell 1000 Growth				-1.29%				4.89%	3.54%	1.67%	7.90%	-10.03%
<i>Structured Value</i>												
LSV	2,153,707	5.2%	5.1%	-0.34%	2,379,430	5.8%	5.1%	3.87%	3.51%	18.24%	9.48%	11.69%
Russell 1000 Value				-0.43%				2.89%	2.45%	14.06%	7.09%	3.03%
<i>Enhanced Russell 1000 Index</i>												
LA Capital	2,885,589	7.0%	6.9%	0.46%	2,863,512	6.9%	6.9%	4.08%	4.55%	7.39%	7.82%	N/A
Russell 1000				-0.87%				3.89%	2.99%	7.92%	7.50%	N/A
<i>Enhanced S&P 500 Index</i>												
Northern Trust	2,845,068	6.9%	6.9%	-0.61%	2,827,229	6.8%	6.9%	3.82%	3.19%	6.02%	7.19%	N/A
Westridge	2,845,798	6.9%	6.9%	-0.89%	2,823,611	6.8%	6.9%	3.75%	2.82%	6.66%	7.25%	N/A
Total Enhanced S&P 500 Index	5,690,866	13.8%	13.7%	-0.75%	5,650,840	13.7%	13.7%	3.78%	3.00%	6.26%	7.74%	N/A
S&P 500				-0.91%				3.72%	2.77%	6.32%	7.06%	N/A
<i>S&P 500 Index</i>												
State Street	1,427,945	3.5%	3.4%	-0.91%	1,395,565	3.4%	3.4%	3.72%	2.77%	6.34%	7.07%	-3.00%
S&P 500				-0.91%				3.72%	2.77%	6.32%	7.06%	-3.03%
TOTAL LARGE CAP DOMESTIC EQUITY	14,321,946	34.7%	34.3%	-0.40%	14,424,574	34.9%	34.3%	3.94%	3.52%	8.65%	7.79%	-1.69%
S&P 500				-0.91%				3.72%	2.77%	6.32%	7.06%	-3.03%
SMALL CAP DOMESTIC EQUITY												
<i>Manager-of-Managers</i>												
SEI	4,536,429	11.0%	10.7%	-2.09%	4,858,098	11.8%	10.7%	6.81%	4.57%	9.36%	11.97%	N/A
Russell 2000 + 200bp				-1.69%				6.50%	4.71%	11.64%	12.64%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	4,536,429	11.0%	10.7%	-2.09%	4,858,098	11.8%	10.7%	6.81%	4.57%	9.36%	11.97%	4.70%
Russell 2000				-1.85%				6.34%	4.36%	9.45%	11.04%	4.71%
INTERNATIONAL EQUITY												
<i>Large Cap - Core</i>												
State Street	128,506	0.3%	0.3%	2.53%	127,156	0.3%	0.3%	3.04%	5.65%	7.68%	6.63%	-2.56%
MSCI EAFE (1)				2.53%				3.07%	5.67%	9.59%	6.00%	-3.56%
<i>Large Cap - Active</i>												
Capital Guardian	383,669	0.9%	0.9%	3.17%	378,661	0.9%	0.9%	3.46%	6.75%	11.23%	5.89%	-3.81%
LSV	381,668	0.9%	0.9%	1.77%	374,678	0.9%	0.9%	3.45%	5.27%	N/A	N/A	N/A
Bank of Ireland	126,228	0.3%	0.3%	0.94%	124,656	0.3%	0.3%	3.29%	4.26%	12.20%	N/A	N/A
Total Large Cap - Active	891,565	2.2%	2.1%	2.26%	877,995	2.1%	2.1%	3.43%	5.76%	13.74%	5.55%	-3.78%
MSCI EAFE - 50% Hedged				1.95%				3.40%	5.42%	14.41%	5.92%	-3.60%
<i>Small Cap - Active</i>												
Lazard	129,355	0.3%	0.3%	2.74%	128,623	0.3%	0.3%	4.14%	6.99%	19.82%	N/A	N/A
Wellington	137,712	0.3%	0.3%	1.43%	126,938	0.3%	0.3%	3.53%	5.00%	12.00%	N/A	N/A
Total Small Cap - Active	267,068	0.6%	0.6%	2.09%	255,561	0.6%	0.6%	3.83%	6.00%	15.90%	N/A	N/A
Citigroup Broad Market Index < \$2BN				3.00%				3.90%	7.02%	21.33%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	1,287,138	3.1%	3.0%	2.25%	1,260,713	3.1%	3.0%	3.47%	5.80%	13.12%	7.85%	-1.83%
MSCI EAFE - 50% Hedged				1.95%				3.40%	5.42%	14.41%	5.92%	-3.60%
EMERGING MARKETS EQUITY												
Capital Guardian	491,682	1.2%	1.1%	0.01%	491,623	1.2%	1.1%	7.06%	7.07%	33.94%	13.64%	-0.44%
UBS	170,265	0.4%	0.4%	1.36%	167,859	0.4%	0.4%	N/A	N/A	N/A	N/A	N/A
TOTAL EMERGING MARKETS EQUITY	661,947	1.6%	1.5%	0.35%	659,482	1.6%	1.5%	7.06%	7.44%	33.94%	13.64%	-0.44%
MSCI Emerging Markets Free				0.90%				7.08%	8.04%	34.89%	15.55%	2.97%
DOMESTIC FIXED INCOME												
<i>Core Bond</i>												
Western Asset	1,615,580	3.9%	3.9%	1.15%	1,720,985	4.2%	4.9%	-0.58%	0.57%	7.25%	5.18%	7.52%
Lehman Aggregate				1.28%				-0.91%	0.36%	6.80%	3.58%	6.07%
<i>Index</i>												
Bank of ND	3,205,882	7.8%	8.7%	1.67%	3,074,881	7.4%	8.7%	-1.22%	0.42%	7.23%	3.82%	6.36%
Bank of ND Match Loan CD Program	529,247	1.3%	1.3%	0.43%	529,423	1.3%	1.3%	0.42%	0.85%	5.08%	3.90%	4.67%
Total Index	3,735,129	9.1%	10.0%	1.36%	3,604,304	8.7%	10.0%	-0.81%	0.54%	6.91%	3.74%	6.10%
Lehman Gov/Credit				1.49%				-1.13%	0.35%	7.26%	4.07%	6.28%
<i>Convertibles</i>												
TCW	1,604,386	3.9%	3.9%	-0.29%	1,369,871	3.3%	3.4%	2.77%	2.47%	-0.23%	9.71%	-2.10%
Merrill Lynch All Convertibles				-0.07%				3.19%	3.13%	0.66%	10.83%	0.99%

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									Net ROR	Net ROR	6/30/2005	6/30/2005
											Net	Net
BBB Average Quality												
Wells Capital (formerly Strong)	1,694,256	4.1%	3.9%	1.50%	1,972,649	4.8%	4.9%	-0.50%	0.99%	12.04%	5.51%	6.57%
Lehman BBB				1.48%				-0.74%	0.74%	8.60%	6.46%	6.25%
Private Debt												
Prudential	1,581,727	3.8%	3.8%	1.58%	154,860	0.4%	0.4%	-0.86%	0.70%	N/A	N/A	N/A
Lehman Aggregate				1.28%				-0.91%	0.36%	N/A	N/A	N/A
Timberland												
RMK	1,712,582	4.2%	4.2%	-0.08%	1,937,982	4.7%	4.7%	-0.08%	-0.16%	14.50%	7.45%	N/A
TIR	4,305,118	10.4%	10.4%	-0.03%	4,871,745	11.8%	11.8%	-0.03%	-0.06%	N/A	N/A	N/A
Total Timberland	6,017,700	14.6%	14.6%	-0.04%	6,809,727	16.5%	16.5%	-0.04%	-0.09%	44.29%	7.48%	N/A
NCREIF Timberland Index				1.22%				1.22%	2.45%	14.07%	3.53%	N/A
TOTAL DOMESTIC FIXED INCOME	16,248,777	39.4%	40.0%	0.62%	15,632,396	37.9%	40.0%	-0.13%	0.49%	19.23%	5.63%	5.26%
Lehman Aggregate				1.28%				-0.91%	0.36%	6.80%	3.58%	6.07%
HIGH YIELD BONDS												
Loomis Sayles	734,260	1.8%	1.8%	0.37%	737,062	1.8%	1.8%	1.66%	2.03%	15.96%	N/A	N/A
Lehman High Yield Cash Pay Index				0.31%				1.58%	1.89%	10.83%	N/A	N/A
Sutter/Wells Capital	732,502	1.8%	1.8%	0.26%	725,811	1.8%	1.8%	1.82%	2.08%	9.62%	N/A	N/A
Merrill Lynch High Yield Master II Index				0.31%				1.58%	1.89%	10.63%	N/A	N/A
TOTAL HIGH YIELD BONDS	1,466,762	3.6%	3.5%	0.31%	1,462,874	3.5%	3.5%	1.74%	2.06%	12.76%	9.68%	3.43%
Lehman High Yield Bond Index				0.31%				1.58%	1.89%	10.86%	11.34%	5.67%
INTERNATIONAL FIXED INCOME												
International Sovereign												
UBS Global (Brinson)	385,096	0.9%	1.0%	1.59%	365,261	0.9%	1.0%	-0.66%	0.91%	7.92%	8.76%	6.79%
Citigroup Non-US Gov't Bond Index (2)				1.85%				-0.98%	0.85%	7.75%	8.56%	6.51%
International Core												
Brandywine	383,754	0.9%	1.0%	1.46%	392,230	0.9%	1.0%	-0.55%	0.91%	11.78%	N/A	N/A
Lehman Global Aggregate (ex-US)				1.88%				-0.73%	1.14%	8.10%	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	768,850	1.9%	2.0%	1.52%	757,491	1.8%	2.0%	-0.60%	0.91%	9.84%	8.95%	6.91%
Citigroup Non-US Gov't Bond Index (2)				1.85%				-0.98%	0.85%	7.75%	8.56%	6.51%
REAL ESTATE												
INVESCO	594,233	1.4%	1.5%	-1.39%	602,625	1.5%	1.5%	0.00%	-1.39%	N/A	N/A	N/A
J.P. Morgan	617,266	1.5%	1.5%	1.71%	606,863	1.5%	1.5%	0.99%	2.72%	19.52%	7.15%	7.15%
TOTAL REAL ESTATE	1,211,500	2.9%	3.0%	0.17%	1,209,488	2.9%	3.0%	0.49%	0.66%	19.52%	7.15%	7.15%
NCREIF TOTAL INDEX				1.75%				1.75%	3.53%	18.02%	7.29%	7.95%
ALTERNATIVE INVESTMENTS												
Coral Partners V	26,592			0.00%	27,398			0.00%	0.00%	-18.97%	-18.86%	-19.31%
Coral Partners V - Supplemental	3,250			0.00%	3,348			0.00%	0.00%	-6.85%	-2.23%	N/A
Coral Partners VI	25,146			0.00%	25,910			0.00%	0.00%	-1.17%	N/A	N/A
Brinson 1998 Partnership Fund	7,811			0.00%	9,048			0.00%	0.00%	19.64%	-2.29%	-5.29%
Brinson 1999 Partnership Fund	14,604			0.00%	15,048			0.00%	0.00%	9.31%	-1.36%	-6.39%
Brinson 2000 Partnership Fund	30,193			0.00%	31,111			0.00%	0.00%	14.97%	-1.48%	-3.53%
Brinson 2001 Partnership Fund	18,284			0.00%	18,840			0.00%	0.00%	4.00%	0.09%	N/A
Brinson 2002 Partnership Fund	11,287			0.00%	10,454			0.00%	0.00%	-4.22%	7.67%	N/A
Brinson 2003 Partnership Fund	2,196			0.00%	2,263			0.00%	0.00%	1.71%	N/A	N/A
Brinson 1999 Non-US Partnership Fund	8,376			0.00%	8,631			0.00%	0.00%	32.09%	11.06%	5.27%
Brinson 2000 Non-US Partnership Fund	9,944			0.00%	10,246			0.00%	0.00%	15.57%	8.11%	1.89%
Brinson 2001 Non-US Partnership Fund	9,995			0.00%	8,550			0.00%	0.00%	9.19%	5.12%	N/A
Brinson 2002 Non-US Partnership Fund	12,843			0.00%	16,068			0.00%	0.00%	12.60%	7.72%	N/A
Brinson 2003 Non-US Partnership Fund	5,583			0.00%	5,753			0.00%	0.00%	2.52%	N/A	N/A
Brinson 2004 Non-US Partnership Fund	1,789			0.00%	1,843			0.00%	0.00%	0.42%	N/A	N/A
Brinson BVCF IV	43,129			0.00%	46,385			0.00%	0.00%	6.06%	1.13%	-8.29%
Matlin Patterson Global Opportunities	45,574			0.00%	51,487			0.00%	0.00%	102.75%	N/A	N/A
Matlin Patterson Global Opportunities II	30,139			0.00%	24,884			0.00%	0.00%	N/A	N/A	N/A
InvestAmerica	7,748			0.00%	7,983			0.00%	0.00%	-18.88%	-6.88%	N/A
Hearthstone MSII	0			0.00%	0			0.00%	0.00%	1214.92%	18.39%	13.51%
Hearthstone MSIII	45,762			0.00%	47,154			0.00%	0.00%	16.51%	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (3)	360,244	0.9%	1.0%	0.00%	372,406	0.9%	1.0%	0.00%	0.00%	17.54%	3.01%	-3.42%
CASH EQUIVALENTS												
Northern Trust STIF/STEP	362,161	0.9%	1.0%	0.28%	653,476	1.6%	1.0%	1.56%	1.84%	2.19%	1.71%	2.65%
90 Day T-Bill				0.29%				0.23%	0.52%	2.15%	1.01%	2.29%
TOTAL FUND	41,225,754	100.0%	100.0%	-0.03%	41,290,998	100.0%	100.0%	2.26%	2.23%	13.81%	11.53%	4.95%
POLICY TARGET BENCHMARK				0.15%				1.86%	2.02%	8.15%	8.59%	3.87%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(3) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.